



OVERPAYMENTS TO STAFF

1. INTRODUCTION

- 1.1 On occasion, an overpayment to a staff member may occur due to miscalculations related to wage or salary rates; number of hours worked; administrative error, for example.
- 1.2 The following Overpayment Protocol outlines the steps the Institute will take to ensure recoupment of the overpayment from the relevant staff member and sets out the responsibility of relevant HR and Finance staff in relation to repayment.

2. PROCEDURE

- 2.1 Once an overpayment has been identified, the Resourcing & Benefits Manager will advise the Payroll Manager in writing as to the circumstances by which an overpayment is thought to have occurred and will request the overpayment value from Payroll.
- 2.2 HR will notify the staff member in writing advising them of the overpayment amount and detailing how the overpayment occurred. It is the responsibility of the Resourcing & Benefits Manager, having consulted with the Payroll Manager, to recommend an appropriate repayment plan and consult with the staff member concerned. The letter, which will be sent by registered post to the staff member will:
 - set out the repayment plan which will commence from the next payroll cycle;
 - clearly request that in the event that the repayment plan is not suitable to the staff member, that he/she must contact HR no later than two weeks from the date of the letter;
 - stipulate that if the staff does not engage with HR regarding repayment, it will be deemed that the staff member has agreed to the repayment plan as detailed in the letter and deductions will commence in accordance with that repayment option without further recourse to the staff member.
- 2.3 Where HR is aware that period overpayments may occur, for example due to an employee exhausting their paid sick leave entitlement and not notifying HR of their sickness absence in time to make the necessary salary adjustment, the staff member will be advised by HR that any future overpayments that may arise, for whatever reason, will be **automatically** deducted from their salary in the next payroll cycle without further recourse to the staff member.
- 2.4 Where contact is made but a repayment plan cannot be agreed between HR and the staff member, then a representative from HR and Payroll will meet with the staff member to discuss and agree a compromise solution. Once periodic deductions and the repayment plan are agreed, the details will be notified to Payroll and confirmed in writing to the staff member by HR. HR will send Payroll details of

the repayment plan for processing to ensure the relevant amendment can be made on the Payroll system.

2.5 To satisfy audit requirements, details of all overpayments are tabulated together with details of communications and the agreed repayment plan by the HR Department. The 'overpayments grid' is maintained on the common HR/Finance drive.

3. REPAYMENT

3.1 Staff members who are not in receipt of salary, or who have left the Institute, it is expected that the repayments will be agreed either as:

- Full lump sum Repayment **OR**
- Part lump sum and the remainder by instalments over an agreed period.

Former staff members may make repayments by cheque, bank draft, direct debit or bank transfer.

3.2 For existing staff members still in receipt of salary it is expected that repayment will be agreed as either:

- A single repayment in full in the next payroll period **OR**
- Periodic Deduction Repayment through payroll (see note below)

For existing staff members, repayment may only be made through the payroll system; this ensures accurate payroll information is recorded and retained for them.

Periodic Deductions:

- As a guideline, overpayments will be recovered over the same time frame as the overpayment occurred. For example, if overpayment was made over 3 monthly payrolls then the repayment schedule should be 3 months.
- Where an overpayment has occurred over a period of time and/or has amounted to a significant amount, the repayment may be spread over a longer period subject to prior agreement with HR / Payroll.
- Where the overpayment occurs towards the end of the tax year every effort will be made to recoup the total amount before 31st December of that year. This ensures that year end information is accurate and recorded correctly.

3.3 If a staff member is due an enhanced payment such as arrears of salary/allowances before an overpayment amount is fully recovered, the enhanced payment may be included as part or full payment of the overpayment.

3.4 The monthly monitoring of repayments of overpayments, in accordance with the agreed plan, is the responsibility of the Resourcing & Benefits Manager and Payroll Manager. Full details of the management process including actions taken with respect to monitoring are regularly updated and saved to the shared HR/Finance drive.

3.5 The Institute reserves the right in all cases to initiate legal proceedings to recover the debt. It is expected that all reasonable accommodations are afforded to facilitate repayment. However, in circumstances where there is a failure to make the repayment in accordance with the agreed plan, the

Resourcing & Benefits Manager and the Payroll Manager should present a business case to the Finance Officer and Head of Human Resources, at the appropriate time, recommending one of two options;

either a) to write off the debt due, or b) to initiate legal proceedings.

In these circumstances the Finance Officer and the Head of Human Resources, having considered the history, circumstances and the value of the debt, in each individual case, will make a formal recommendation to the HR/Finance forum with respect to the appropriate course of action.

3.6 An audit trail of all relevant information and decisions taken with respect to write off and/or legal proceedings will be maintained by the HR/Finance forum.

4. **QUERIES**

Contact: Resourcing & Benefits Manager, Human Resources Department
or Payroll Manager, Finance Department

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